

**MINUTES
CITY OF ST. CHARLES, IL
PLANNING AND DEVELOPMENT COMMITTEE
MONDAY, JANUARY 9, 2017 7:00 P.M.**

Members Present: Stellato, Silkaitis, Payleitner, Lemke, Turner, Bancroft, Krieger, Gaugel, Bessner, Lewis

Members Absent: None

Others Present: Mayor Raymond Rogina; Mark Koenen, City Administrator; Rita Tungare, Director of Community & Economic Development; Russell Colby, Planning Division Manager; Bob Vann, Building & Code Enforcement Division Manager; Matthew O'Rourke, Economic Development Manager; Chris Bong, Development Engineering Division Manager; Ellen Johnson, City Planner; Police Chief Keegan; Fire Chief Schelstreet; Asst. Chief Christensen; Chris Minick, Director of Finance

1. CALL TO ORDER

The meeting was convened by Chairman Bancroft at 7:00 P.M.

2. ROLL CALLED

Roll was called:

Present: Stellato, Silkaitis, Payleitner, Lemke, Bancroft, Gaugel, Krieger, Bessner, Lewis (7:01pm), Turner (7:01pm)

Absent: None.

3. COMMUNITY & ECONOMIC DEVELOPMENT

- a. Housing Commission recommendation to approve the creation of a First-Time Homebuyer Downpayment Assistance Program and Amendments to the Single-Family Home Rehabilitation Loan Program.

Ms. Johnson said last March, P&D Committee considered pursuing a feasibility study for creation of a Community Land Trust in partnership with Geneva, Batavia, and North Aurora. A housing consultant presented the framework for the study and although Committee was interested, the other three communities chose not to pursue the study. Since then the Commission has discussed several program options to utilize the City's Housing Trust Fund to support and create affordable housing opportunities.

Under consideration tonight is their recommendation to create a new First-Time Homebuyer Downpayment Assistance Program which will help make home ownership in St. Charles a reality for income eligible families who would otherwise be unable to afford to purchase a home here.

The proposed program would be:

- Supplemental to Kane County's existing First-Time Homebuyer Program.
- \$10,000 downpayment assistance available through Kane County's program.

- Additional \$10,000 offered through City's program if needed.
- 0% interest, deferred payment loan.
- Available to households at or below 80% Area Median Income.

Applicants would need to meet the following eligibility requirements:

- First-time homebuyer or have not owned a home in the last 3 years
- Live or work in the Kane-Elgin HOME Consortium Area for 1 year
- House to be purchased is within the St. Charles corporate limits
- Single-family, condo, or townhome unit
- Max. purchase price of \$209,000 for an existing home and \$228,000 for a new home
- House to be owner-occupied
- Contribute at least 1% downpayment
- Complete a homebuyer education course
- Obtain approval of mortgage financing which meets County guidelines
- Home must pass inspection

The prospective homebuyer would apply for county funds first and then city funds as necessary and a non-profit third-party organization would administer the program for the city. Neighborhood Housing Services (NHS) administers the county's program as well and services would include processing applications, determining eligibility, performing inspections of the home to be purchased, providing homebuyer education classes, and executing the required legal documents. If the program is recommended for approval tonight staff will hopefully come back in February with a service agreement for committee's consideration.

Aldr. Silkaitis said in regard to the 0% deferred loan with repayment at the time of sale or transfer of deed; what happens if they never sell the house, would the money only be repaid if they should pass away and it gets put into an estate and then sold. Ms. Johnson said yes, at the time of the sale or the deed is transferred to a family member, that 2nd mortgage would need to be paid off. Aldr. Silkaitis said what if the house goes into foreclosure, where would the city be on that list. Ms. Johnson said she believes 3rd in line after the county; so there is some risk that the city would be taking.

Aldr. Stellato said he sees no down side and he's all in favor.

Aldr. Lemke asked if the prospective homeowner would have to apply for a mortgage but for the down payment. Ms. Johnson said yes, the will need to be pre-approved for the mortgage and then the county requires a 20% downpayment for that mortgage, so this would help to go toward that requirement.

Aldr. Turner thinks it's a great program and in the long run probably the only way to keep single-family affordable homes in the city.

Aldr. Krieger asked how long the homeowner would have to live there, because her concern would be people taking advantage of this to flip homes. Ms. Johnson said there are no time limits but the home has to be owner-occupied and would then all have to be paid back when the deed is transferred.

Aldr. Lewis thinks it's a wonderful program and likes that we are piggybacking off the county, and is curious what a homebuyer education course is. Ms. Johnson said it's a required 8 hour course that NHS provides to educate on the responsibilities of homeownership such as: how a mortgage works, home maintenance, etc.

Chairman Bancroft gave kudos to the Housing Commission for working with staff to come up with a plan and he thinks it's terrific.

Aldr. Payleitner made a motion to direct staff to come back with documents to move forward with the program. Seconded by Aldr. Silkaitis. Approved unanimously by voice vote. Motion carried. 9-0

Ms. Johnson said the 2nd part of this item is a Housing Commission recommendation to amend the city's existing Single-Family Home Rehab Loan Program which is:

- Supplemental to Kane County's Home Rehab Program
- \$20,000 in assistance available through Kane County's program
- Additional \$10,000 offered through City's program if needed
- 0% interest, deferred payment loan
- Assists households at or below 80% Area Median Income
- Eligible Improvements:
 - Repairs to mechanical systems
 - Roofs & windows
 - Insulation
 - Exterior painting
 - Drainage improvements
 - Termite damage repair
 - Accessibility Improvements
- Proposed Amendments to the City's Program:
 - Remove single-family only restriction; open program to condo and townhome units. The county's program is already opened up to these other types of units and the intention is for more senior citizens to be able to qualify for the program.
 - Rename to "Home Rehabilitation and Accessibility Loan Program"- to highlight the fact that the program can be used to fund accessibility modifications for physically disabled persons.
 - Add examples of eligible accessibility improvements to Program Description- these improvements are already eligible but the Housing Commission wanted to highlight these attract more interest from seniors.

Aldr. Lemke said he thinks the program was correctly developed for single-family homes where people have ownership in the whole property, lot line to lot line, and he's not sure how this will work with rehabbing a multi-story. Ms. Johnson said any types of improvements to the exterior common areas or areas maintained by an HOA would not qualify for the program.

Aldr. Krieger made a motion to approve Amendments to the Single-Family Home Rehabilitation Loan Program. Seconded by Aldr. Payleitner. Approved unanimously by voice vote. Motion carried. 9-0

Aldr. Stellato recused himself at 7:10pm from item 3b.

- b. Presentation of a Concept Plan for Prairie Winds.

Mr. Colby said this property is off of Bricher Rd. known as the Bricher Commons PUD located behind Loews.

Andrew Kolb-Zoning and Development Attorney for the project-said the applicants: Jeff Ratzer and Joe Whiteside of Prairie Winds, LLC and also Executive Capital, are both members of the St. Charles community already through the Xsport Fitness and the adjoining carwash developments, and are local to nearby Big Rock. The subject property is currently under contract with Batavia Enterprises and consists of 20 acres of vacant land with the use being agricultural and is presently being farmed, which would be removed prior by to purchase by the applicant. The 4 development approvals to be requested are:

- Map Amendment to rezone to either RM2 or RM3
- Special Use for a PUD
- PUD overlay, Preliminary and Final PUD approval
- Preliminary and Final Plat of Subdivision approval

The current zoning is within the BR Regional Business District and was originally subject to an annexation agreement and subsequent amendments for projects that never developed, so we are looking at a brand new PUD which would be removed from the existing PUD and developed independently. He said he thinks their project makes a nice contrast to the proposed Shodeen development as far as the amenities, organization, style, character and the financial strength, commitment to complete the project without any phasing requirements, and the capital to build it start to finish. He said feasibility studies show that St. Charles has 99% market absorption rate for residential apartments, there isn't much to rent as far as upscale apartments, Amli is nice but it's starting to reflect the fact it's been there a while. He feels Prairie Winds is remarkable as far as amenities and he is proud to be a part of it; it's the most impressive development he's seen proposed as a member of the community. He said Mr. Ratzer has had incredible success in Rochester, MN. with a very similar project with some really staggering lease-up rates.

Jeff Ratzer-47W210 Rt. 30, Big Rock-we are a family owned business established in 1970 and currently owns over 5,000 apartment units around the country, 4 hotels and 40 Xsport Fitness facilities. The latest complex created is in Rochester, MN and is 240 units down the road from Mayo Clinic. Construction began April 2015 and the first resident moved in Oct. 1, 2015. The project was leased to 100% occupancy in just over 7 months, and they hope to beat that here in St. Charles.

He said they have gone with Humphreys and Partners as the architect who are a nationally recognized firm-who couldn't make it tonight due to weather, but will be at the next meeting. They do about 100 projects per year, from garden style to skyscrapers, they are extremely prolific and came up the design being proposed, the design is called "big house" which look like either big homes or townhomes. He then gave an overview about the actual project:

- 250 units
- Average 1,250 sq. ft.
- Construction start April 1st finishing in about 15 months-not to be built in phases
- Mix of hardie board, brick, stone, dryvit and hopefully some copper
- 9 ft. ceilings
- Energy efficient stainless steel appliances
- Front load washer/dryer
- Granite or quartz countertops
- Wood planked flooring
- Wifi available
- USB ports in kitchen and all bedrooms

- Electric Fireplaces (chimneys just for show)
- Balcony or patio in every unit
- Each unit will have a 1 or 2 direct access garage (1 bedroom-1 garage) (3 bedroom-2 car garages) (some of the 2 bedrooms, depending on the location will get a 1 or 2 car garage). Buildings designed to have garage access on 3 sides of first floor-which is why there are only 3 apartments on first level. There's 7 apartments on the upper level with vaulted ceilings with stairs coming up from the garage to their apartments.
- 2 entrances to each apartment-through the garage and front door.

He said the clubhouse is 8,000 sq. ft. and all one-story but the ceiling heights and architecture will probably allow a loft situation for maybe the game room. The clubhouse is the focal point of the property which will contain the management and leasing offices and amenities for residents which will include:

- Indoor pool
- Fitness center (cardio machines w/TV's, free-weights and modern workout equipment)
- Locker rooms (restroom, shower and lockers) which lead privately to both pools and hot tub.
- Internet café
- Business center
- Game room

The exterior amenities include:

- Outdoor pool
- Hot tub
- Fire pit (not asking for a liquor license)
- Outdoor kitchen and grilling area (bar stool seating and maybe a TV)
- Playground
- Dog park
- Provisions to tie in a bike path

They thought about a gated entry but people didn't seem to like that.

He then showed a PowerPoint presentation explaining the original site plan which was presented to the Plan Commission, who had thoughts of moving the development closer to the water, more green space as well as a cut to connect the proposed property to Lowes and Meijer. He then showed the site plan recreated from those comments which now incorporates 2 detention ponds to now has the clubhouse and the outdoor kitchen/grilling areas overlooking water, water features and the playground; the 2nd detention pond will also give many of the residents a water view. They also added more green space in some areas, but he's not sure he needs 2 dog parks, so that may change. Regarding the cut through, he is flexible but wanted the Committee's thoughts on whether they felt that would be a benefit to the property and community. He said a traffic study was done for this project with the 2 entrances and showed absolutely no harm to any backups, lights, traffic or stacking in the community.

He then showed some photos featuring the open floor plan, hardware, different types of cabinetry, lighting, hardware, appliances, countertops, closets and electric fireplace.

Chairman Bancroft asked for comments from Committee regarding the following:

- Land Use, Density and Zoning
- Building Type/Architecture
- Site Layout
- Access/Road Connections

Aldr. Lewis said she likes where the playground is located, and she is not opposed to the other exit to Meijer, she likes having another way to get in and out that can possibly get you in a different direction. She has some concerns of not necessarily putting it in right now but having space where it eventually could come back to Rt. 38; she thinks that will be important, maybe as the next project goes in that there's someplace a road could continue to go on. Mr. Ratzer said he tried to fit in everything that he wanted as the developer as well as what the city wanted and needed as far as detention, green space and amenities and he wouldn't know where to put a road; he would possibly have to lose units or amenities. Aldr. Lewis said she would like to see something connect to Rt. 38, she likes the concept being proposed but she is more for connectivity versus the gated one way in and one way out that comes to the same position. It's fine if you're going east/west, but if trying to go north/south it's going to be more difficult. She said everything looks beautiful but she, as well as the neighborhood, is concerned about the amount of apartments being added in this 1 location and that will have to be kept in mind going forward.

Aldr. Bessner said he agrees with Aldr. Lewis, although he thinks the Meijer exit is a good possible way out at this point, but looking into the future, if not now, he'd like the opportunity to at least leave open some kind of area or space within this development to get to Rt. 38. It's not 100% necessary but going forward to plan not only for this development but future developments that may stem from something this size and nature. He said in regard to zoning requirements, it states "TBD" on a lot of minimum lots in regard to lot width, height, building coverage and minimum front and back, and he wondered if we are still within standards of not being too cramped. Mr. Kolb said that when they incorporate the RM2 or RM3 and put a PUD overlay over the top they would have to otherwise comply with the building code as far as all the setbacks and service area ratios. To the extent we may need deviations from that, they can be requested as part of the PUD approval process, but there's not an indication that the plan here doesn't already comply. As far as the PUD agreement that's in place, it's for a project that wasn't developed, so with a new PUD comes a new opportunity to refresh and take a look at the code the way it sits today, react to it, and then build something that's in compliance with it, and if deviations were needed they'd be requested as part of the approval process. Aldr. Bessner asked if there were some sort of path to get pedestrians through the whole development. Mr. Ratzer said they are not on this plan, but yes there will be sidewalks and the architect will be looking up all the codes to meet what the city will be looking for. Aldr. Bessner asked where Mr. Ratzer thinks most of the residents would be drawn from. Mr. Ratzer said this project is unique and high end and will draw from wide range; he expects it to go as far south as North Aurora and as far north as South Elgin; west, he is not sure, but definitely the tri-cities.

Aldr. Gaugel said he thinks the land use, density and zoning are appropriate and the strongest asset to this is building type and the architecture, he really likes it, it's unique and would be a welcome addition to the city. The site layout, while tough to visualize, from what he gathers it's more than appropriate for the site as well. The access road/connections he feels they did a good job along Bricher with the 2 entrances to the property, but he thinks the one that connects to the Meijer and Lowes is a detriment to the property; while he like connectivity, sitting at the light east of the Lowes is a nightmare and using this as a cut through and the 6-7 properties on the east portion are going to get fed-up. There will be increased amount of traffic the minute anybody finds out cross-access is there; it's their decision, and if they would like to keep it in, it's not a problem for him, but he doesn't see it as an asset. He like connectivity as far as pedestrian or bike standpoint for the people in there but he doesn't know if it's necessary for a car

standpoint; he'd have reservations if he were to be looking at any of the units that would be potentially in that traffic pattern.

Aldr. Krieger agrees with Aldr. Gaugel on the Meijer connection, a bike/walking path to connect to the shopping is better than an auto, and she can see exactly how people would cut right through. She likes the design, the interiors, and thinks it's unique, but she questions the access to Rt. 38 because the applicant doesn't own property directly to Rt. 38, so she's not sure how that could connect. Mr. Ratzer said currently he cannot. Aldr. Krieger said that's not an issue and overall she likes the plan and would be an addition to the community.

Aldr. Turner said he feel the land use should definitely be switched and because this is out by itself and will not affect anybody in St. Charles, the density is fine. He thinks they did a good job on the site layout and the architecture is great, and he agrees that he is not sure if they really want to hook into that road between Meijer and Lowes, a walking path would be great, and since they don't own the land at Rt. 38 that's something the city will have to figure out in the future.

Aldr. Lemke said the drawing presented today is a lot different and resolves a lot of his concerns. He said it's really difficult to find anything in the Amli development, so the idea that it's possible that someone could cut through the Amli development to go to Walgreens nearby, it doesn't happen; so he doesn't find that the vehicle access for the residents to Meijer is a problem at all; if for some unfortunate reason Bricher could be closed, he thinks there needs to be that type of an access. He would also allow a stub or opportunity to develop a cross-access with another parcel to the north to get to Rt. 38 but it's not a show stopper in this case. He said he has seen similar developments and when it gets to the point of the number of vehicles versus parking places his fear is there may not be enough for visitors, and he is sure some tinkering can be done with the plan. The density seems reasonable however the asserted market for apartments between Elgin, Aurora and maybe east to Rt. 355 he'd like to have more information to say that there is an absorption rate for 900 because he thinks there are some examples near along Rt. 64 that had very slow absorption. He said parking could be an issue and could use an adjustment, the additional access points particularly for emergencies-would be a show stopper for him if there weren't better access.

Aldr. Payleitner agrees with her colleagues, it's a beautiful project and there could be a need for this. As far as connectivity she sees where it could happen in the future, she doesn't have that big of a concern, but she agrees with Aldr. Gaugel in that she is not sure it's necessary to have that drive through to Meijer, but she would like to see pedestrian/bike path there and in looking at the pictures she sees a lot of sidewalks and that's great. Mr. Ratzer added that at the front of Bricher they intend to make provisions where they don't landscape up to the top to make it removable so that if Kane County has to connect to the bike path in front of their lot they would add a connection as well.

Aldr. Silkaitis said although he would have preferred retail, he likes the plan but his concern is still the road access to Rt. 38 and although the property line stops before that, we only have 1 chance to do this here and if we don't, we will never have it and he'd like to see some type of provision where we could put a road in. He asked about the traffic study and how the stop light would be affected between Lowes and Geneva Commons, because that gets backed up now as it is. Mr. Ratzer said no effect, and he would

provide that study to them, but no new lanes or medians are needed based on this new plan. He said he is learning about traffic studies himself and every moment of the day both exits are both A and B except for one C, because its 17 second wait instead of 15 seconds. Aldr. Silkaitis said the Meijer connect he could go either way but would like to see the stub to Rt. 38.

Aldr. Payleitner complemented Mr. Ratzer and expressed appreciation for listening and accommodating Plan Commission comments.

Aldr. Lewis said she would like to see the sidewalk/path along Lowes be continued.

Chairman Bancroft said this is very creative and the big house architecture is unique and a neat solution that plays out really well for this site. The unit mix really targets the family and older demographic and it will draw constituents from a much bigger area because this cannot be found anywhere, to the extent that the marketing effort makes it known that it exists, but he feels it will be very successful. In regard to the drive way to Meijer he feels the consensus is more for a walking path for access, and as far as the Rt. 38 access, until we know what is going on the neighboring side and what BEI will do there, it's premature to mandate something. But by the same token he can't envision this existing as some sort of access agreement back and forth between the 2 parcels and he feels that eventually you will be able to get to Rt. 38, it may not be a straight shot bisecting both properties but will probably be there, but it's not a deal breaker for him.

Aldr. Lemke said he would like to see the traffic study particularly for the light, which is what we call a D service level, he cannot imagine that's 15 or 17 seconds. He thinks it would cover everybody if the Meijer connection were for emergencies (fire or police) with pavers to be able to get through with more than a bicycle. Mr. Ratzer asked if he could gate that. Chairman Bancroft said they would defer to staff on that. Mr. Ratzer also noted that he did not mean that the light was an A, B or C, he meant the exit times.

David Amundson-500 Cedar St.-said the historical association of the term "big house" is so loaded and he doesn't know from a marketing standpoint if they should go there, it speaks to something that we don't want to invoke. He asked what the distance is from the back base of the properties on the easternmost side of the property to what is basically a 30 ft. sheer cliff wall; why not slide the detention pond there for some separation. He said first impression of driving into the place he wouldn't want to be looking at a gray cliff. Mr. Ratzer said the detention is there because all the water slopes from the high point to the very low point, which are wetlands at the southwest corner, and you cannot store water on wetlands; you would need the Army Corp of Engineers approval and it takes 6 months for that, which is not part of the plan. He said they put it where it's at because it's most feasible to actually collect water, and as far as the screening they have a very prolific landscape plan and you wouldn't know there is a wall there. Chairman Amundson agrees that the "big house" concept is a terrible label but it is that jargon of developers and architects talking about this style of architecture.

John Glenn-822 King Henry-said as a realtor that helps people find apartments in the area, this is a premier project, and he has seen a lot of mediocre stuff that doesn't have garages for every unit, and

there's a big demand for 3 bedrooms, so he hopes they'll have a lot of those. As far as the access he is okay personally, he doesn't like people driving through his neighborhood, and he thinks the person access just at the Meijer is fine, to not have people cutting through. He said they need to get the price right to get moving, so he has no concerns about that either. He said he would like to see a really good apartment complex in St. Charles and this is a really good location and product.

Aldr. Lewis asked if they would keep building all at once even if they weren't getting rented out. Mr. Razner said yes, all the slabs would go in first, and as 1 gets c.o.'d we start leasing and we then allow people to move in, which is not enjoyable with construction going on, so they fence it off to at least have some privacy and have construction come in through the back end, and he is thinking from start to finish 15 months.

Chairman Bancroft asked staff to provide an overview on the question regarding development fees.

Mr. Colby said the applicant has raised some concerns over the development fees that would apply to the project. He reviewed utility connection/service and permit fees: Water connection fee estimate (\$312,500), sanitary sewer connection fee estimate for the West Side service area (\$639,750), electric service cost estimate (\$407,500) and building permit fees estimate (\$125,000). He noted the connection fees for the West Side sanitary service area are higher than connection fees for the City's main Fox River Facility due the planned expansion of the facility.

Mr. Colby then reviewed impact fees applicable to the project. He said the Kane County Transportation Impact Fee (which is not administered by the City) is collected for all types of development based on land uses and is used to fund road improvement projects by the county (\$281,000). Both the Inclusionary Housing and School Land-Cash fee are unique to residential projects, they are not paid by commercial projects and are based on the actual land use impact from that type of development:

- Inclusionary Housing-the code require either affordable units within a project of a fee-in-lieu of providing affordable units which is then paid into the city's housing trust fund that funds programs like the one presented earlier. The fee-in-lieu is set yearly by Council; the current fee was set in 2016, and is the same for any type of residential unit. The council has the ability to set a new fee for the current year if they were to direct staff to do so.
- School and Park Land-Cash contributions are required for only residential developments either as providing dedicated land to both the school and park district for new facilities for the development, or to offset the cost of facilities that serve the development. Fees are paid directly to the school and park district but are required through the city's Subdivision Code, with the city having the final determination whether to accept a land donation versus a cash fee, although typically Council receives a recommendation from the school and park district regarding their interest in a specific site. The school district would typically be looking for a cash payment since they are not currently adding new school sites in St. Charles. The park district typically for smaller developments would take a fee but for larger projects they would review that to determine whether they feel a park site is appropriate based on the demands of that project and the type of facilities they believe would be necessary.

The school-park land-cash formula in the city code has 3 different factors to determine the fee:

- Population Generation – how many people are expected to live within the development.
- The required land area necessary for a park or school site.
- Per-acre land value estimate.

Those factors are put together to generate an impact fee for both the school and park contribution. The city code doesn't provide a specific mechanism to waive or lower the fees for a given project, but it does provide mechanisms for those calculation factors to be modified.

The 3 different ways of modification are:

- Land cash per-acre land value can be changed based on an appraisal appraisal; the procedure is in the code.
- Developer can submit a study showing that the population generation will be different than the calculation that is in the code by submitting a study substantiating that.
- Developer can request a credit for private recreational facilities in the development in exchange for providing public park facilities to reduce the land cash payment.

Mr. Colby said Council has the ability to review any of those modifications to lower the fee-in-lieu, and staff is seeking some direction in regard to the developers concerns, specifically as it pertains to the land cash fees. Would the council be willing to entertain possible appeals to either the land cash, per acre land value or population generation and whether Council is open to looking at allowing for the credit for private recreational facilities as part of the fee payment.

Aldr. Turner said the developer is providing a lot of recreational amenities as far as the park fee, so he would really try to get those reduced and he feels the park fees are way out of line anyway, but they will have to pay the school. He is a little concerned about the sewer hook-up because at this point the west side treatment plant does have capacity for this as well as Corporate Reserves (78 homes). Mr. Koenen said correct.

Aldr. Turner asked what we are looking for as far as future development within the west gateway when that really takes up most of the land that's out there. Mr. Koenen said the west gateway plant generally services everything on the west side of Randall Rd., case in point-Kane County Fairgrounds, which there is a lot of green space there that's all tributary to that site, in fact there is a 4 phase project for expansion of the plant and phases 1 and 2 are in place. There are 2 more phases yet proposed tied to what the demand is for development on the site, there's quite a lot of vacant space that could go the wastewater treatment plant. Aldr. Turner asked if the definition of vacant space is the Fairgrounds area. Mr. Koenen said correct, that's the big piece out there, as well as the land north of Rt. 64 near Aldi. Aldr. Turner is not sure we should be requiring that from these developers because he feels the people that will actually cause the expansion of the plant is where the fees should be put. He doesn't see anything happening at the Fairgrounds, and the only thing has heard of in the last 12 years is that we would develop less west than Campton Hills, or some developer would ask to come into our system which would trigger an expansion, which they should then be required to pay that expansion. Mr. Koenen added that there have been a couple of expansions to that plant where we have 20 year bonds in the process of being paid off and because of the gap in the economy where growth and expansion were reduced, we still had debt service through that entire duration. Aldr. Turner asked what the difference was between the east and the west. Chairman Bancroft said it's basically a factor of 2, twice as much.

Aldr. Silkaitis asked the developer what fees he expected to be waived or reduced, and what's the basis for that request. Mr. Ratzer said in underwriting the property to see if it was economically feasible; the typical fees that are done for all of their construction jobs are:

- Water connection
- Sanitary-in this case will cost \$639,000 which is 4 times what he would typically pay.
- Electric-they do not typically pay for the hook up, just the meters.
- Building permit fees-typical.
- KDOT-they have not had that anywhere else they have looked.
- School fee-typically \$250,000-a thousand per units basically.

Mr. Ratzer said those are nationally and he did some local research as well and the 2 fees not mentioned: Park land fee-which he did pay in Rochester and it was \$75,000; he wrote his check and said thank you, in this case it will cost him \$1,280,000. He said he does have plenty of off-sets and he has had a meeting with Holly Cabel at the Park District who was going to go through his analysis with her board and then get back to him.

Mr. Ratzer said, however, he does not have the inclusionary housing fee anywhere else and he understands there are only 2 other cities in Chicago that have them, and it really makes it impossible to do this transaction. He said what he came to meet with several people about was to say that all of his fees are typically \$10,000 per unit, put it where you want, and the reason he said it like that is because every city has a different allocation of what their fees are and where they go by what their hot buttons are and what's necessary to support the city and government. He said he is at about \$2.5 million, maybe even \$3 million that's how much he's grown to like the site, but that's it; he doesn't want to pay a fee of \$1.82 million for inclusionary housing that he doesn't have to do across the street in Geneva.

Aldr. Silkaitis said we are not Geneva, we made these rules and just approved tonight that we are upping our ante to help people move into St. Charles and to fund that we need the money from that fee. The park fee, he can see where Mr. Ratzer is coming from and if the park district is agreeable with that he is fine with it. The KDOT fee is between him and the county, the city has no say in that, but the hook-up fees is what everybody pays and he is not going to change those fees which are in our Ordinance, and if we do that for this case, any new development will expect it and he's not going to go through that process. The impact and building permit fees are what we have established; the housing fee can be worked on, it is a little high, but to waive it, no. Most of the fees established are to the penny and if we start to lower those for this, everyone in the future will expect it and he's not going to do that because it sets a precedent that he doesn't want to deal with. Housing fee he can deal with, the school fee he doesn't want to change and if the park district is happy working with them, he is happy; the housing fee is the only one he can see negotiating on.

Mr. Ratzer said the sanitary sewer is what it is and the facilities need to be maintained, but the inclusionary housing fee, he believes has stopped development in St. Charles; it's a bad rule and is way expensive and is not based on anything; nobody has ever paid it. The schools, he hasn't met with them but he would look for help from them because it's his understanding that this property will have a \$600,000-700,000 tax bill and the schools will get over 60% of that and if they help him going in they will make their money back tenfold over the course of this.

Aldr. Silkaitis said he could negotiate but the city actually sets the fee. Mr. Ratzer said he didn't know that, but he also feels that the park fee is way high and they get about 7% of what will be an enormous tax bill every year and that is a point he made to Ms. Cabel. He said based on the new plan, with both the green space, parks, outdoor pool and the clubhouse recreational space, he thinks that's about 5.64 acres of land to donate and cut that if not in half more so to get him to about \$250,000-300,000 that he was hoping to pay for that fee. Aldr. Silkaitis said he sees his point, if the development will have the amenities the people will not have to use the public amenities, but as far as the other fees he couldn't support the impact or building permit fees.

Aldr. Bessner asked if the housing stock was at the minimum level or above in regard to the inclusionary housing ordinance. Mr. Colby said it is above, but he is not sure the exact number; we calculated a percentage that was in excess of 20%, but based on the state's formula we are just above the 10% threshold, but lower than what we had been tracking over a number of years. Aldr. Bessner said in discussing the ordinance we talked about the fact that if we went above that threshold that we could either stop taking in fees and in-lieu of unit fees; he's not suggesting that but this may be one of those opportunities to look at that. Ms. Tungare said Committee has previously suspended the inclusionary housing ordinance for a period of 3 years, and just about a year ago the city reactivated the ordinance. She noted the fees are paid into the housing trust fund and new residential development is our only way to add to the housing trust fund.

Aldr. Krieger asked if this would be a good time to look at the inclusionary housing fee overall to see if it could or should be lowered slightly to encourage all development; if we lower it at all we have to do that through an ordinance so it's the same for everybody. Aldr. Gaugel agreed. Chairman Bancroft also agreed and stated that this fee and methodology has not been applied yet and that this is not a negotiation with the developer, it should be a reasonable fee that accomplishes the objectives that we have for the inclusionary housing ordinance too and it's an important thing to get out there. He said he has met with the developer and when he first saw the \$1.82 million he was shocked, that is a staggering fee and he would submit that the calculation wasn't applied in any given context.

Aldr. Payleitner said speaking from the Housing Commission with permission from Chairman Amundson to correct her, as well as other members present, when looking at multi-family we are looking to up our inventory of affordable housing units, for instance the Shodeen Project, but there is no way we are expecting that with this unit. She thinks that's correct in that the calculation is more based on single-family and for that reason she would really like to take a second look at the formula for multi-family, not as a favor to the developer, but because it's the first time applying it.

Mr. Amundson said he has a slight difference of opinion, he doesn't think it would be unreasonable to entertain the idea of 2 different fee levels, one for multi-family and one for single-family. At the time of discussion it was all about single-family, but seeing the fee calculation with a 250 unit apartment development and the fee that high is out of whack, there is not enough fat in the budget to make it work. He also doesn't think it's unreasonable to put the units in the development, there's a variety of sizes, independent entrances and exteriors are set and meet the code, but the size and level of finish on the interior can be affordable units tucked right in the development, he doesn't see why that's a problem. He said they can avoid paying the fee if they are willing to turn over a certain portion to affordable, he knows that makes the number harder and it's a design challenge but there might be some wiggle room in there, and from a management standpoint he thinks that's something we can all have. He said he knows it may put certain onus on them that they may not want but maybe we can all negotiate that, he thinks there is some room for give and take that is not unreasonable and would not set a bad precedence, he thinks we can be fair and even handed to have everybody at the table accomplish something beneficial.

Aldr. Turner said he feels we should re-negotiate for multi-family and he disagrees with putting the affordable units in, ideally it's great, but in the end people are tribal they go with their own kind. He doesn't think we should start a problem with people not wanting to live in a house where the affordable unit is because they will think "they are different than we are", that's just the reality of the situation. He feels we should be looking at money rather than units, he's sorry but that's the way it is.

Aldr. Lemke there may be a way, in regard to land acre and value, for city staff to determine that the formal appraisal may generate a different amount for the school or park, and he is supportive of the fact that there are a lot of park-like amenities. He said the city's electric is different than others who maybe have Commonwealth Edison, we have to recover the cost of putting in more than a meter and he sees no reason to change that fee; that's something others in the city would have to subsidize.

Aldr. Gaugel said the affordable housing need to be looked at as a whole to be re-evaluated because that \$1.8 million is a shock, this was discussed at great lengths and the impetus was to do the right thing per what the state is asking us to do, and while there are only 3 communities he feels we are one of the ones who are on the right side of doing that. In regard to the sanitary sewer, he doesn't know that it is necessarily correct for us to punish this developer if there will be no impact on that facility and he'd be open to discuss that potential fee to make it in-line to what's happening on the east side. In regard to the park fee, it's good there are conversations happening with Ms. Cabel as well as the park dist. and he would be open to that.

Chairman Bancroft said Aldr. Gaugel did a great job of summarizing the 3 areas that staff should take back. Committee agreed. Chairman Bancroft said this was a favorable concept plan review with the developer wanting to move forward tomorrow; what is the collective timing for giving them what our analysis will be. Mr. Colby said with respect to the housing fee information, that can be brought to the February P&D meeting for Committee review. Regarding the sanitary sewer fee, staff can present some additional information at the same time with some background as to how that has been calculated and applied to previous developments, as well as a little more context for the Committee to consider whether that is something they would like to adjust. With respect to the park fee that discussion will need to be had between the developer and the park district to determine what their position is on that; so that is something we likely wouldn't bring back for Committee feedback until we have more information for the developer's part of the proposal. Chairman Bancroft said the next meeting is beginning of February and with the developer wanting to build in April or May, is there a way to expedite this quicker than the February P&D. Mr. Koenen said staff would try to meet those expectations.

Aldr. Krieger asked what sanitary fees Corporate Reserves is paying. Mr. Colby said they will be required to pay the rates that apply to the west side facility; per unit is slightly higher because it's detached units.

Aldr. Lewis said she disagrees with Aldr. Turner's statement "people are tribal and go with their own kind"; she believes there are good people who can live in high end places and not have a lot of money and still be contributing people to those communities. Aldr. Turner said he stands by his comment.

Chairman Bancroft asked how long staff needs. Ms. Tungare said we will do our best to work with the developer and other staff to try to bring something back at one of the near future committee meetings. Chairman Bancroft clarified that he really wants to look at the calculations of the inclusionary housing ordinance, not specifically with respect to this developer, but with respect to going forward with an eye towards how this will be administered, because he doesn't want to do this again. He also thinks the connection fees need to be looked at as far as what we feel in our hearts is right to charge to be able to be comfortable and fair to say "the fee is what it is" and until he gets a sense of where those will end up he is not ready to do that. He asked if staff would be ready in a couple weeks. Ms. Tungare said if we were to look at this more comprehensively and accurately that bringing it back to the February P&D would be ideal, but if we need to expedite it she suggests the first Council meeting in February as either a Government Operations meeting or a special P&D meeting, which would give staff 3 weeks to bring it back, acknowledging that packets go out the week prior. Mr. Ratzer said when staff

brings back suggestions at the next meeting, depending on whether Committee likes or dislikes it, would Committee then vote on it so he would know definitively if the structure would be done or not on his end. Chairman Bancroft said correct.

Aldr. Stellato re-joined the Committee at 8:40pm.

c. Commercial Corridor and Downtown Business Economic Incentive Award Program:

c1. Recommendation Regarding Amendments to the Commercial Corridor and Downtown Business Economic Incentive Program.

Mr. O'Rourke said items c1 and c2 are conjoined in a way. He said the purpose of the grant program was to work with businesses to pick St. Charles over others and to do so by filling first floor vacant spaces in town through making permanent improvements (plumbing, electric, upgrades) to spaces, to not only help get a business in town but to also carry that unit forward into the future to make it more marketable. A couple of amendments were made last year: clarify the repayment language and the expanded boundary to all commercial properties in town, which was done last May. Up to this point the program has a total of \$107,000 in total funding for this fiscal year which was the original \$75,000 budgeted along with some carry over from the previous year added on. This year there has continued to be a lot of interest and we have helped 3 business owners with tier 2 grants which is the amount above \$10,000 which requires Council approval. Right now we have a pending grant from Stanbridge Master Saddler and also Dean Courser to finish out the former Vertical Drop. All along there was this basic eligible improvement included in the program that was for façade improvement pending the Façade Grant Program being out of funding, but it was not clarified at that point whether that should be just the maximum of \$25,000, which is the current program limit, or should extra funding be allocated for the façade improvements. Staff is thinking that if the Façade Grant Program still had funding they'd be eligible to utilize both programs and get more total funding, with that we've proposed some clarifying conditions for these instances as to when and who can use these. The Proposed Amendments are as follows:

- Qualifying façade improvements are eligible for an increase of up to \$20,000 *for façade improvements only*, and must comply with the established funding criteria in the Façade Improvement Program. Such façade awards will match applicant expenditures on a 50/50 basis.
- Only applicants eligible for the Commercial Corridor and Downtown Business Economic Program may utilize this increase.
- These improvements must conform to the Façade Improvement Program requirements and receive a recommendation from the Historic Preservation Commission regarding the appropriateness of these modifications.
- The increase in the maximum funding for façade improvements shall be limited to properties eligible for the Façade Improvement Program.

Aldr. Turner made a motion to approve Amendments to the Commercial Corridor and Downtown Business Economic Incentive Program. Seconded by Aldr Silkaitis. Approved unanimously by voice vote. Motion carried. 9-0

c2. Recommendation to approve a Commercial Corridor and Downtown Business Economic Incentive Award for 122 W. Main Street (Dean Courser – Stanbridge Master Saddler).

Mr. O'Rourke said the owner-Dean Courser has applied for the interior portion of the grant to cover the cost of upgrading the HVAC system, new electric work, dry wall and finishing things leftover from when it was Vertical Drop, this will come to the maximum amount of \$25,000 and with the additional façade

improvements it will be \$27,900 worth of façade-eligible improvements. However based on the funding amount left after allocating the \$25,000 is approximately \$12,400 available for the façade improvement to get them to the maximum award possible.

Aldr. Stellato made a motion to approve a Commercial Corridor and Downtown Business Economic Incentive Award for 122 W. Main Street (Dean Courser – Stanbridge Master Saddler). Seconded by Aldr. Silkaitis. Approved unanimously by voice vote. Motion carried. 9-0

Susan Jansen-122 W. Main St.-Stanbridge Master Saddler-asked if the approval was for clarification on the grant amount the amount for the façade improvement. Mr. O'Rourke said there was \$25,000 approved for interior work, and for the façade improvement, there was only \$12,000 left in the budget. Ms. Jansen asked if they waited to do the improvement till next fiscal year could they get the full amount of money. Mr. O'Rourke said potentially yes, but the caveat for that is that at that point the façade program would have funding again; this is alternate funding which is only available to projects when there's no more façade funding left, which is the same maximum amount of funding. Chairman Bancroft suggested speaking to Mr. O'Rourke. Aldr. Lewis said she had time before this would go to Council for final approval.

- d. Recommendation to approve and execute an Acceptance Resolution for Public Sanitary Sewer Located at 2425 W. Main Street (Buona).

Mr. Bong said the bill of sale is transferring ownership of the public utility from the developer to the city, this is a sanitary sewer that runs from the Buona which is bored underneath Rt. 64 to the north side of the road and he recommends approval of the acceptance resolution.

Aldr. Krieger made a motion to approve and execute an Acceptance Resolution for Public Sanitary Sewer Located at 2425 W. Main Street (Buona). Seconded by Aldr. Turner. Approved unanimously by voice vote. Motion carried. 9-0

4. ADDITIONAL BUSINESS-None.

5. EXECUTIVE SESSION-None.

6. ADDITIONAL ITEMS FROM MAYOR, COUNCIL, STAFF OR CITIZENS-None.

7. ADJOURNMENT- Aldr. Lemke made a motion to adjourn at 8:50 pm. Seconded by Aldr. Turner. Approved unanimously by voice vote. Motion Carried. 9-0